

MODERN TAX SCHEME

Writer Plans to Raise Revenue to Please All.

NO OPPOSITION FROM PUBLIC

World Confine Privileges Upon Aristocracy and Make It Pay for It—Suggests Decorations for Captains of Industry—Outlines Great Possibilities for Revenue Plan.

Editor The Washington Herald: Congress has now been in session over four months in an effort to "provide revenue, equalize duties, and encourage the industries of the United States." It is safe to say that never in the history of the vexed problem of taxation has there been a widespread opposition from rich and poor alike as there is now in the hands of the conference committee.

What the result of this legislation may be upon the party in power and upon the nation generally, the deliberations of our statesmen have brought out two important facts—namely, that the tariff is a local issue, pure and simple, and that the poor as well as the rich object to any kind of a new tax.

Cannot Be Blamed.

Now, the poor and middle classes can scarcely be blamed for opposing an upward revision of the tariff on the necessities of life, with the cost of living already beyond their earning capacity; but the rich, and well-to-do should logically be ready and willing to tender to the state what it needs for its legitimate business and the protection of their own special interests. Unfortunately, the rich and powerful, who in the very nature of things are looking to the government for a larger measure of protection than do the poor and needy, and who should therefore willingly assume the larger share of the burden of taxation, do not seem to be ruled by common sense when they resist the proposed income tax, inheritance tax, or corporation tax.

And yet no one will charge the American capitalist with a lack of public spirit or national patriotism where the business interest is the controlling factor. It is private capital which in a great measure provides for our philanthropic and charitable institutions, and it is the American millionaire who funds universities and libraries, and supports hospitals and churches. It is our moneyed class which contributes fabulous sums to the promotion of intellectual and moral life.

Federal Tax Hurts.

But what the wealthy class objects to in the proposed new tax law is not the amount of cash outlay it involves, but the claim of Congress of the right to impose such a tax—it objects to a Federal tax upon its wealth. The real problem, therefore, is to lay the burden of taxation upon the rich in such a way as not to invite their active opposition. This can easily be done by gratifying the most sensitive and yearning desire of our wealthy class—the desire for a return on their investment.

In Great Britain taxation is mainly levied on the rich, who in return enjoy the title of nobility. Our government has made a mistake in not conferring decorations upon our captains of industry and our generalists, and it is high time that this defect be remedied by our statesmen, and the remedy be made a plentiful source of revenue.

Titles to Sell.

These certificates of distinction should be made to correspond with the occupation of business of the applicant as far as possible. Special provision should, however, be made for the large number of our wealthy citizens whose only occupation is to live well. For example, for business men there should be the title, "Privy Councillor of Commerce," with the rank of baron, arranged into three classes and sold at the nominal price of \$10,000, \$20,000, and \$30,000 per annum, respectively.

Those among our millionaires who give evidence of a taste for art and literature by their activity in the collecting of paintings, books, etc., per fas et nefas, should be enabled to purchase a national certificate entitled "Privy Councillor of Culture," with the title of lord, and graduated in three classes at the rate of \$5,000, \$10,000, and \$15,000 per annum, according to class. Our millionaire brewers and packers should be looked after with certificates of "Privy Councillor of the Nation's Distilleries," with the title of "Baron of the Household," at a reasonable annual tax, not to exceed \$20,000,000. Land, mine, and railroad owners should be provided with diplomas entitling them to "Privy Councillor of the Nation's Resources," with the title of "Baron of the Empire." The ladies should, of course, not be slighted in this matter, for who is there in the wide world who loves a title more than the American heiress and her mother?

Now, what has been said is merely to serve as an index of the vast possibilities in the way of revenue from such a measure. A commission, consisting of our most celebrated social leaders (preferably from among the Four Hundred of New York) and some noted expert aristocrats of Europe, should be appointed by Congress and given the task of framing a schedule of patent nobility for our moneyed classes.

To those who may entertain doubts as to whether the aspirations of our wealthy classes may be depended on to produce the necessary revenue, I need only point to the spirit of the time, with the universal reaching out for superlatives, empty honors, and vainglorious ostentation—the insatiable greed for distinction. The aping of fashion's follies and absurdities are looked upon as proper and as a mark of respectability; the possession of a title can be made equally popular, if not more so, with a turn of the legislative hand.

An All-black Dining Room.

From M. A. P. Lord and Lady Droghda have returned to Wilton Crescent at the conclusion of their honeymoon, which they took, as is the sensible modern fashion, in installments, a visit to London being sandwiched between droghdas in Ireland and in Italy. Lady Droghda is at present interested in the flimsy touches required by her house, which is to be unlike any other in London.

A wonderful all-black dining room is one of its features, and although the effort in daylight may seem to be a little too distinctly artistic and original in the soft glowing, carefully arranged electric lights.

EYES OF PEOPLE ON MANY TOPICS

WHAT DO YOU THINK ABOUT IT?

Divorce Question.

Editor The Washington Herald: In the issue of The Washington Herald of July 12, Michael Gallagher states in regard to the marriage ceremony: "There is, besides, a divine sanction of sacramental efficacy given to it which is superior to the consent of the contracting parties, and binds them for life."

Might we ask, Has not the "unbeliever" a right to consider this question of marriage, and, so with the divine phase eliminated, would he not naturally turn to the law and its opinion of the marriage contract to guide him in the question. What to do with two lives absolutely mis-matched, ungenial, and miserable at the point, at times, of murder, suicide, or both? Has not the law, which is recognized as the rule of all contracts made, one person with another, and in this country, where church and state are separated, the right to stand between two persons desperate to the point already mentioned?

While not an unbeliever, the writer stands with the learned justice and says that the church, and with the divine phase eliminated, would he not naturally turn to the law and its opinion of the marriage contract to guide him in the question. What to do with two lives absolutely mis-matched, ungenial, and miserable at the point, at times, of murder, suicide, or both? Has not the law, which is recognized as the rule of all contracts made, one person with another, and in this country, where church and state are separated, the right to stand between two persons desperate to the point already mentioned?

Cannot Be Blamed.

Now, the poor and middle classes can scarcely be blamed for opposing an upward revision of the tariff on the necessities of life, with the cost of living already beyond their earning capacity; but the rich, and well-to-do should logically be ready and willing to tender to the state what it needs for its legitimate business and the protection of their own special interests. Unfortunately, the rich and powerful, who in the very nature of things are looking to the government for a larger measure of protection than do the poor and needy, and who should therefore willingly assume the larger share of the burden of taxation, do not seem to be ruled by common sense when they resist the proposed income tax, inheritance tax, or corporation tax.

And yet no one will charge the American capitalist with a lack of public spirit or national patriotism where the business interest is the controlling factor. It is private capital which in a great measure provides for our philanthropic and charitable institutions, and it is the American millionaire who funds universities and libraries, and supports hospitals and churches. It is our moneyed class which contributes fabulous sums to the promotion of intellectual and moral life.

Federal Tax Hurts.

But what the wealthy class objects to in the proposed new tax law is not the amount of cash outlay it involves, but the claim of Congress of the right to impose such a tax—it objects to a Federal tax upon its wealth. The real problem, therefore, is to lay the burden of taxation upon the rich in such a way as not to invite their active opposition. This can easily be done by gratifying the most sensitive and yearning desire of our wealthy class—the desire for a return on their investment.

In Great Britain taxation is mainly levied on the rich, who in return enjoy the title of nobility. Our government has made a mistake in not conferring decorations upon our captains of industry and our generalists, and it is high time that this defect be remedied by our statesmen, and the remedy be made a plentiful source of revenue.

Titles to Sell.

These certificates of distinction should be made to correspond with the occupation of business of the applicant as far as possible. Special provision should, however, be made for the large number of our wealthy citizens whose only occupation is to live well. For example, for business men there should be the title, "Privy Councillor of Commerce," with the rank of baron, arranged into three classes and sold at the nominal price of \$10,000, \$20,000, and \$30,000 per annum, respectively.

Those among our millionaires who give evidence of a taste for art and literature by their activity in the collecting of paintings, books, etc., per fas et nefas, should be enabled to purchase a national certificate entitled "Privy Councillor of Culture," with the title of lord, and graduated in three classes at the rate of \$5,000, \$10,000, and \$15,000 per annum, according to class. Our millionaire brewers and packers should be looked after with certificates of "Privy Councillor of the Nation's Distilleries," with the title of "Baron of the Household," at a reasonable annual tax, not to exceed \$20,000,000. Land, mine, and railroad owners should be provided with diplomas entitling them to "Privy Councillor of the Nation's Resources," with the title of "Baron of the Empire." The ladies should, of course, not be slighted in this matter, for who is there in the wide world who loves a title more than the American heiress and her mother?

Now, what has been said is merely to serve as an index of the vast possibilities in the way of revenue from such a measure. A commission, consisting of our most celebrated social leaders (preferably from among the Four Hundred of New York) and some noted expert aristocrats of Europe, should be appointed by Congress and given the task of framing a schedule of patent nobility for our moneyed classes.

To those who may entertain doubts as to whether the aspirations of our wealthy classes may be depended on to produce the necessary revenue, I need only point to the spirit of the time, with the universal reaching out for superlatives, empty honors, and vainglorious ostentation—the insatiable greed for distinction. The aping of fashion's follies and absurdities are looked upon as proper and as a mark of respectability; the possession of a title can be made equally popular, if not more so, with a turn of the legislative hand.

An All-black Dining Room.

From M. A. P. Lord and Lady Droghda have returned to Wilton Crescent at the conclusion of their honeymoon, which they took, as is the sensible modern fashion, in installments, a visit to London being sandwiched between droghdas in Ireland and in Italy. Lady Droghda is at present interested in the flimsy touches required by her house, which is to be unlike any other in London.

A wonderful all-black dining room is one of its features, and although the effort in daylight may seem to be a little too distinctly artistic and original in the soft glowing, carefully arranged electric lights.

to the book reading room, and this bars out hundreds of noble lads and lassies who would delight to spend hours over the sweet, pure, lovely, beautiful, and immortal pages of those who have passed away. Washington has children full of brain power, and to them the future looks with eyes of deep and abiding interest.

DAVID G. COPELAND.

Praise for Bryan.

Editor The Washington Herald: While not an ardent admirer of Bryan, I certainly feel inclined to give Hon. W. J. Bryan credit for many of the hobbies he has advocated for the welfare of the masses in his political career.

His letter to the President of the United States at this time is opportune, when he puts the question: "Why not give the people a chance to vote for an amendment providing for the direct election of United States Senators by popular vote?"

Naturally, this is in line with the proposed income tax, which calls for a constitutional amendment.

A Nation's City.

Editor The Washington Herald: Washington City: Its status and government.

It is and ought to remain a national city, with local autonomy, administered by three Commissioners under rules and regulations provided by the Congress of the United States. The Commissioners should be appointed by the President, with the consent of the Senate, and should have been residents of the District at least ten years prior to their appointment.

There ought to be constructed a fire-proof auditorium large enough to accommodate 75,000 people, and so arranged with public business when not occupied by public assemblies—as on inauguration day, conventions, etc.

W. A. PRATER.

United States Consuls.

Editor The Washington Herald: In looking over the recently corrected list of consuls of the United States to foreign countries I find that five States and the District of Columbia have been omitted from the list. In running over the names I have discovered that New York is credited with fifty-five consuls; Pennsylvania, twenty-seven; Ohio, thirty-two; Illinois, twenty; Indiana, eleven; and the District of Columbia, twenty-five. The great States of Missouri and Michigan have only two each, and there are less than half a dozen credited to Massachusetts. Many States have none in the service.

When President Roosevelt placed these positions under the merit system and ordered the applicants to stand examinations it was expressly stipulated in the regulations issued by the State Department by his direction that in making the future appointments selections should be from States whose quotas are not full.

So far as known, President Taft has changed these regulations. Political pull has supplanted merit in the selection of these consular positions, and I submit that people from some of the other States ought to have a show before any more consuls from New York, Pennsylvania, Ohio, Illinois, Indiana, and the District of Columbia are appointed. I should think the Senators and Representatives from the States which are getting nothing for their constituents in the consular line would take a hand in the matter, although, of course, they cannot say who shall be designated, but they could at least see that men from their States are given a chance.

I am not an applicant myself and do not expect to be, but I do believe in dividing the thing up a little bit. I have heard that a resolution is to be introduced in the Senate calling upon the State Department for a report, and I hope this will be done.

JOHN T. MINTON.

The Washington Market.

Editor The Washington Herald: Is The Washington Herald willing to print a demonstration that the District of Columbia and the United States could save at least \$40,000 a year for the next sixty years by taking over the building occupied by the Washington Market Company, as authorized by its charter?

By the act of May 20, 1870 (16 Stat. L. 234), Congress granted the use of the plot of ground bounded by Pennsylvania avenue, B. Seventh, and Ninth streets for ninety-nine years, at the end of which period the land and improvements should revert to the United States. It was further provided that upon authorization by Congress, after thirty years, the municipality might take possession on payment to the market company of a sum equal to the value of the building. Section 12 of the act required the company to pay taxes on the land and building. Section 14 required it to pay \$25,000 a year rental.

The company, however, immediately got the rental reduced to \$7,500 a year and gave up the portion now in parking. (Deficiency appropriation act, March 1, 1872, 17 Stat., 540) The Supreme Court, in District of Columbia vs. Market Company, 18 U. S. 248, decided that the question of rental was res adjudicata; therefore the rental should be \$7,500 a year.

White Mole Caught.

From the London Daily Mail. Cecil Lallor, of Stockcross, Newbury, has captured a pure white mole in a trap. This is one of the rarely recorded instances of true albinism in the mole.

Few animals are more subject to variations of color. There are references in the zoological archives to such hues as light brown, orange apricot, buff, cream, and amber, but albinism is a rare condition.

White Mole Caught.

From the London Daily Mail. Cecil Lallor, of Stockcross, Newbury, has captured a pure white mole in a trap. This is one of the rarely recorded instances of true albinism in the mole.

Few animals are more subject to variations of color. There are references in the zoological archives to such hues as light brown, orange apricot, buff, cream, and amber, but albinism is a rare condition.

White Mole Caught.

From the London Daily Mail. Cecil Lallor, of Stockcross, Newbury, has captured a pure white mole in a trap. This is one of the rarely recorded instances of true albinism in the mole.

Few animals are more subject to variations of color. There are references in the zoological archives to such hues as light brown, orange apricot, buff, cream, and amber, but albinism is a rare condition.

White Mole Caught.

From the London Daily Mail. Cecil Lallor, of Stockcross, Newbury, has captured a pure white mole in a trap. This is one of the rarely recorded instances of true albinism in the mole.

RACING CARDS FOR TO-DAY.

Empire City.

FIRST RACE—Four-year-olds and upward; selling; six furlongs.

SECOND RACE—Three-year-olds and upward; selling; six furlongs.

THIRD RACE—Two-year-olds; selling; five and one-half furlongs.

FOURTH RACE—Three-year-olds and upward; one mile.

FIFTH RACE—Two-year-olds; five and one-half furlongs.

SIXTH RACE—Three-year-olds and upward; selling; one and one-half miles.

SEVENTH RACE—Five and one-half furlongs.

EIGHTH RACE—One mile.

NINTH RACE—One mile and seventy yards.

TENTH RACE—One and one-half miles.

ELEVENTH RACE—One and one-half miles.

Twelfth RACE—One and one-half miles.

Thirteenth RACE—One and one-half miles.

Fourteenth RACE—One and one-half miles.

Fifteenth RACE—One and one-half miles.

Sixteenth RACE—One and one-half miles.

Seventeenth RACE—One and one-half miles.

Eighteenth RACE—One and one-half miles.

Nineteenth RACE—One and one-half miles.

Twentieth RACE—One and one-half miles.

Twenty-first RACE—One and one-half miles.

Twenty-second RACE—One and one-half miles.

Twenty-third RACE—One and one-half miles.

Twenty-fourth RACE—One and one-half miles.

Twenty-fifth RACE—One and one-half miles.

Twenty-sixth RACE—One and one-half miles.

Twenty-seventh RACE—One and one-half miles.

Twenty-eighth RACE—One and one-half miles.

Twenty-ninth RACE—One and one-half miles.

Thirtieth RACE—One and one-half miles.

Thirty-first RACE—One and one-half miles.

Thirty-second RACE—One and one-half miles.

Thirty-third RACE—One and one-half miles.

Thirty-fourth RACE—One and one-half miles.

Thirty-fifth RACE—One and one-half miles.

WALL STREET NEWS

Developments of the Week Justify Confidence.

STEEL OUTPUT IS GREATER

With Enlarged Capacity Volume of Business Assumes Record Proportions—Copper Metal Prices Show Slight Falling Off—Corporation Tax Feature Closely Watched.

New York, July 18.—Seasonable July dullness again prevailed in Wall street last week, the narrowness of the market being more intensified, at least in the early part of the week, than it has been at any time since the end of May. But an equally noticeable feature of affairs was that if the market was narrow it was still strong, especially in the latter part of the week, when also it became broader and more active.

On one or two occasions during the week the waiting attitude assumed by the market seemed to go on the nerves of a certain number of speculators, and they sold stock out of sheer impatience. A state of mind of this sort often results at this time of the year in declining prices, even if every material prospect is favorable for an advance; and in the present year the splendor of the entire outlook and the cheapness of money have doubtless raised prices from a round recession.

At the same time it should be remembered that prices did suffer a pretty bad fall in the last days of June. It must be pointed out, too, that in speaking of the present level of prices as high it is to be borne in mind that prices are high only because they have experienced a quick recovery from a period of acute depression. The reasons which brought about this recovery are now so familiarly known and their soundness has been so amply attested that it is unnecessary again to refer to them.

Confidence Is Justified.

As regards the business situation proper almost every day during the week was of a sort calculated to justify the confidence in the immediate future now so strongly felt in all the higher financial and commercial circles. Midsummer is not a daily a time of the year when business is in its fullest swing. This year, however, in nearly all lines business is forging ahead without the usual summer pause; and the cause for this is beyond any question that stocks of merchandise and commodities all over the country are short.

In certain lines activity is not so pronounced as in others. The lumber trade is still comparatively dull, owing, presumably, to the fact that this is one of the trades that will be directly affected by the new tariff revision, and that the nature of this revision of the lumber duties is still quite uncertain.

In copper metal there has been a relapse from the high prices touched a couple of months ago, this being due in the first place to a marketing of stores of the metal bought by English speculators at the low prices touched after the passage of the new tariff bill, and in the second, to the fact that the production of the commodity, taking the world over, is now somewhat in excess of the demands of consumption. At the same time, the prevailing sentiment in the copper trade seems to be that the reaction in the price of the commodity has gone about as far as it is likely to, and that around the present level a large amount of buying of copper, induced by the flattering promise of general business progress, ought to be expected.

Boom in Iron and Steel.

These are, however, about the only cases in which the generalization of a broad improvement in the country's business has to be qualified. It is now obvious to every one that the iron and steel business is in a genuine boom. The buying of products and materials here has gathered increasing force as the weeks have rolled by, and although prices have been advanced cautiously, they have still risen considerably, and are now at a point where it is estimated that the net profits of the United States Steel Corporation for a ton of finished product are not heavily less than the highest ever known.

It would not surprise any one if after the new tariff law is enacted a further all around advance in iron and steel prices should ensue. The enlargement of the steel corporation's capacity, the output of the concern is the greatest on record. The peculiar characteristic of business in this line is of the same sort as that witnessed in this case, namely, the relative sparseness of railroad orders. These orders are still large, absolutely reckoned, but they do not make such a large proportion of the total business as they did, for the reason that the true reason is the very satisfactory one that the general consumption of steel in the country has widened enormously.

All this lends particular interest to the question that is becoming more or less agitated in Wall street as to the possibility of an increase soon in the distribution upon the United States Steel common shares. It is of course wholly natural that the discussion of this sort should arise. Wall street is a place where speculators gather, and where a large number of people judge matters wholly by speculative standards; and yet, as all conservative people must admit, the true way to judge the value of any security is not the rate at which profits are distributed, but the volume of the improvements, whether distributed or not; the improvement in the intrinsic value of the property and the accumulation of equities possessed by it that will properly safeguarded insure a large and more permanent distribution of dividends in due course than could be secured by any other method.

Fear Corporation Tax.

With reference to matters in Washington, financial interest chiefly centers upon the point whether the corporation tax is to be retained in the new tariff bill. Little objection is expressed by business men, so far as their views have been uttered in Wall street, to the imposition of a tax as such, whether levied upon corporation incomes or not, which is necessary to raise money for the national debt, but they do not seem to be in favor of a right of supervision of corporations that has never before been exercised or granted in the United States. No one can tell what the outcome will be, but it is well being known that the true way to judge the value of any security is not the rate at which profits are distributed, but the volume of the improvements, whether distributed or not; the improvement in the intrinsic value of the property and the accumulation of equities possessed by it that will properly safeguarded insure a large and more permanent distribution of dividends in due course than could be secured by any other method.

It is clear, however, in the present instance that the true purpose of the particular tax levy in question is not to collect money, but to make a lodgment of a right of supervision of corporations that has never before been exercised or granted in the United States. No one can tell what the outcome will be, but it is well being known that the true way to judge the value of any security is not the rate at which profits are distributed, but the volume of the improvements, whether distributed or not; the improvement in the intrinsic value of the property and the accumulation of equities possessed by it that will properly safeguarded insure a large and more permanent distribution of dividends in due course than could be secured by any other method.

It is clear, however, in the present instance that the true purpose of the particular tax levy in question is not to collect money, but to make a lodgment of a right of supervision of corporations that has never before been exercised or granted in the United States. No one can tell what the outcome will be, but it is well being known that the true way to judge the value of any security is not the rate at which profits are distributed, but the volume of the improvements, whether distributed or not; the improvement in the intrinsic value of the property and the accumulation of equities possessed by it that will properly safeguarded insure a large and more permanent distribution of dividends in due course than could be secured by any other method.

FINANCIAL.

UNITED STATES TRUST COMPANY

CHARTERED IN 1907. CAPITAL, \$1,000,000.

The Charter of This Company—invests it with the authority to act in all fiduciary capacities.

We seek appointment as executor, administrator, guardian, committee, trustee, receiver, assignee, etc.

Our Banking Department pays 3 per cent per annum interest on minimum monthly balances subject to check.

Travelers' Checks and Letters of Credit issued.

U. S. Government Supervision.

United States Trust Company

H. BRADLEY DAVIDSON, Pres.

1405 G Street Northwest.

Capital and Surplus...\$2,700,000
Reserves Over...\$13,000,000

Strength and Conservatism

—are the banking qualities demanded by careful depositors.

This bank offers depositors these advantages, and in addition extends the opportunity to profit by suggestions concerning sound, money-paying investments.

RIGGS National Bank.

Penna. Ave. Opposite U. S. Treasury.

Let Us Manage Your Property.

WE OFFER you the service of men of experience and adequate equipment in our Real Estate Dept.

Every detail given prompt and intelligent attention.

The Washington Loan and Trust Company.

Corner 9th and F Sts.

JOHN JOY EDSON, President.

The Safest Investments

Are those that do not fluctuate during disturbed conditions of the money or stock markets. First class of trust notes (first mortgages), well secured on real estate in the District of Columbia, constitute "gold-edge" investments. They do not depend upon the financial responsibility of individuals or corporations for their stability, and are exempt from taxation as personal property. We can supply such investments in amounts from \$500 upward. Send for booklet, "Conserving Loans and Investments."

Swartzell, Rheem & Hensley Co.

17 1/2 ST. STREET NORTHWEST.

THE HOME SAVINGS BANK

7th and K Streets

and Mass. ave. nw.

BRANCHES: 436 7th st. nw. 7th and H sts. nw.

We Pay 3 Per Cent Per Annum On Savings Accounts

W. B. Hibbs & Co.

New York Stock Exchange, Washington Stock Exchange, Chicago Board of Trade.